



North Dakota REV-E-NEWS

**From Rod Backman, Director
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We expect the turnback figures to be finalized within the next week and will release that information as soon as we have it. Preliminary estimates show that turnback will be somewhat higher than was originally anticipated.

Nationally, as of July 1999, inflation increased 2.1 percent over that of one year ago. For the second time this summer, the Federal Reserve increased interest rates by a quarter point in an effort to diminish the risk of rising inflation.

North Dakota's unemployment rate for July 1999 was 2.7 percent, while the national unemployment rate for July 1999 was 4.3 percent. Non-ag wage and salary employment was up over the

year in six of the nine major industries. The largest gain over the year occurred in construction and was 4.8 percent. Finance, insurance and real estate was second with an increase of 1.9 percent and services was third with an increase of 1.0 percent. The services sector showed the largest increase in the number of jobs over the last year – an increase of 900 jobs.

Comments or Questions???

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July Revenue

Revenue collections for the first month of the 1999-01 biennium fell \$1.3 million or 2.8 percent below the projection. Cash

flows are difficult to project and a single month is not nearly as meaningful as several months combined.

Oil Activity

North Dakota currently has 5 drilling rigs compared to 11 one year ago. The current price of oil is approximately \$17 per barrel. The average price of sweet crude oil in July was \$15.91 per barrel compared to the forecasted price for July of \$10.14 per barrel, while

preliminary production for June was 91,072 barrels of oil per day compared to the forecasted production of 97,882 barrels of oil per day.

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
1999-01 BIENNIUM
JULY, 1999

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 18,601,000.00	\$ 17,347,146.36	(1,253,853.64)	-6.7%	\$ 18,601,000.00	\$ 17,347,146.36	(1,253,853.64)	-6.7%
Motor Vehicle Excise Tax	4,318,000.00	4,211,291.98	(106,708.02)	-2.5%	4,318,000.00	4,211,291.98	(106,708.02)	-2.5%
Individual Income Tax	15,852,000.00	15,257,611.34	(594,388.66)	-3.7%	15,852,000.00	15,257,611.34	(594,388.66)	-3.7%
Corporate Income Tax	1,998,000.00	1,970,314.39	(27,685.61)	-1.4%	1,998,000.00	1,970,314.39	(27,685.61)	-1.4%
Insurance Premium Tax		194,277.80	194,277.80	100.0%		194,277.80	194,277.80	100.0%
Business Priv./Financial Inst. Tax	32,000.00	635.00	(31,365.00)	-98.0%	32,000.00	635.00	(31,365.00)	-98.0%
Oil & Gas Production Tax	827,000.00	1,253,234.08	426,234.08	51.5%	827,000.00	1,253,234.08	426,234.08	51.5%
Gaming Tax	878,000.00	1,029,982.00	151,982.00	17.3%	878,000.00	1,029,982.00	151,982.00	17.3%
Interest Income	175,000.00	176,571.82	1,571.82	0.9%	175,000.00	176,571.82	1,571.82	0.9%
Oil Extraction Tax	502,000.00	460,031.98	(41,968.02)	-8.4%	502,000.00	460,031.98	(41,968.02)	-8.4%
Cigarette and Tobacco Tax	1,947,000.00	2,109,534.12	162,534.12	8.3%	1,947,000.00	2,109,534.12	162,534.12	8.3%
Departmental Collections	1,087,000.00	919,049.40	(167,950.60)	-15.5%	1,087,000.00	919,049.40	(167,950.60)	-15.5%
Wholesale Liquor Tax		2,949.27	2,949.27	100.0%		2,949.27	2,949.27	100.0%
Coal Severance Tax	917,000.00	957,032.63	40,032.63	4.4%	917,000.00	957,032.63	40,032.63	4.4%
Coal Conversion Tax	991,000.00	934,073.52	(56,926.48)	-5.7%	991,000.00	934,073.52	(56,926.48)	-5.7%
Mineral Leasing Fees	220,000.00	200,571.32	(19,428.68)	-8.8%	220,000.00	200,571.32	(19,428.68)	-8.8%
Bank of North Dakota - Transfer								
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	172,576.00	172,576.00			172,576.00	172,576.00	0.00	0.0%
Other Transfers								
Total Revenues and Transfers	48,517,576.00	47,196,883.01	(1,320,692.99)	-2.8%	48,517,576.00	47,196,883.01	(1,320,692.99)	-2.7%

COMPARISON TO PREVIOUS BIENNIUM REVENUES
1999-01 BIENNIUM
JULY, 1999

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	July, 1997	July, 1999	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 17,830,498.47	\$ 17,347,146.36	\$ (483,352.11)	-2.7%	\$ 17,830,498.47	\$ 17,347,146.36	\$ (483,352.11)	-2.7%
Motor Vehicle Excise Tax	4,989,393.49	4,211,291.98	(778,101.51)	-15.6%	4,989,393.49	4,211,291.98	(778,101.51)	-15.6%
Individual Income Tax	13,799,613.05	15,257,611.34	1,457,998.29	10.6%	13,799,613.05	15,257,611.34	1,457,998.29	10.6%
Corporate Income Tax	2,424,835.47	1,970,314.39	(454,521.08)	-18.7%	2,424,835.47	1,970,314.39	(454,521.08)	-18.7%
Insurance Premium Tax	41,200.37	194,277.80	153,077.43	371.5%	41,200.37	194,277.80	153,077.43	371.5%
Business Privilege Tax	79,838.89	635.00	(79,203.89)	910.6%	79,838.89	635.00	(79,203.89)	-99.2%
Oil & Gas Production Tax	1,809,953.38	1,253,234.08	(556,719.30)	-30.8%	1,809,953.38	1,253,234.08	(556,719.30)	-30.8%
Gaming Tax	877,879.45	1,029,982.00	152,102.55	17.3%	877,879.45	1,029,982.00	152,102.55	17.3%
Interest Income	374,846.62	176,571.82	(198,274.80)	-52.9%	374,846.62	176,571.82	(198,274.80)	-52.9%
Oil Extraction Tax	908,832.57	460,031.98	(448,800.59)	-49.4%	908,832.57	460,031.98	(448,800.59)	-49.4%
Cigarette and Tobacco Tax	2,121,672.44	2,109,534.12	(12,138.32)	-0.6%	2,121,672.44	2,109,534.12	(12,138.32)	-0.6%
Departmental Collections	1,236,668.22	919,049.40	(317,618.82)	-25.7%	1,236,668.22	919,049.40	(317,618.82)	-25.7%
Wholesale Liquor Tax	530,876.66	2,949.27	(527,927.39)	-99.4%	530,876.66	2,949.27	(527,927.39)	-99.4%
Coal Severance Tax	834,431.12	957,032.63	122,601.51	14.7%	834,431.12	957,032.63	122,601.51	14.7%
Coal Conversion Tax	935,968.27	934,073.52	(1,894.75)	-0.2%	935,968.27	934,073.52	(1,894.75)	-0.2%
Mineral Leasing Fees	134,481.17	200,571.32	66,090.15	49.1%	134,481.17	200,571.32	66,090.15	49.1%
Bank of North Dakota - Transfer								
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	141,109.00	172,576.00	31,467.00	22.3%	141,109.00	172,576.00	31,467.00	22.3%
Other Transfers								
TOTAL REVENUES AND TRANSFERS	\$ 49,072,098.64	\$ 47,196,883.01	\$ (1,875,215.63)	-3.8%	\$ 49,072,098.64	\$ 47,196,883.01	\$ (1,875,215.63)	-3.8%

Revenue Variances

Sales tax collections in July fell below forecast by \$1.2 million or 6.7 percent. Because the month ended on a weekend, some of the variance could be timing.

Individual income tax collections fell below projections by \$594,388 or 3.7 percent, while corporate income tax collections are very close to projections - falling behind by only \$27,685.

Now that the price of oil has rebounded, we are beginning to experience stronger oil tax collections. Oil and gas production tax collections exceeded projections in July by \$426,234. Oil extraction tax collections fell below projections by \$41,968. Because of the many exemptions available for oil extraction tax, it is not unusual to see oil and gas production tax collections over forecast while oil extraction tax collections are under forecast.

or 17.3 percent ahead of projections, while departmental collections fell below projections by \$167,951 or 15.5 percent.



Gaming tax collections were \$151,982

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